

in Germany comes into the United States without the VAT included, without the price of their tax system included, lands in the United States, and it amounts to \$86.21, competing with the product in the United States that costs \$100. That is a significant wedge when it comes to manufactured products, where small price differences and small profit margins are what govern.

But what happens if we try to export from the United States to Germany? A product that costs \$100 in the United States and \$100 in Germany goes out of the United States with the price of our tax system built in, and then has imposed on it that additional VAT in Germany. So it costs \$116 in Germany, competing with the same product that costs \$100 in Germany. In that respect, Germany has a big advantage in competing with American products that they import. Their domestic producers have, in effect, a tax subsidy.

Look at what happens if we try to sell the same product in Germany and compete with the same product coming in from China. We send it in, it costs \$116, but the Chinese export it to Germany, and it only costs \$100.87. Why is it? It is because in their market, our pricing of our product has to include not only the price of our tax system, but theirs. It is double taxation.

When their product comes into our market, our product still carries the price of our tax system, but theirs has been rebated away. So, in effect, it is a tax subsidy, a standing tax subsidy that double taxes our products in foreign markets and frees imports from carrying their fair share of the tax burden. That is not fair. That is a tax differential that we can no longer afford to look the other way at.

This has been a disadvantage that we dealt ourselves back in the 1940s, and it has taken us this long. It is not this administration; it has taken us this long to come head to head with this problem.

The time has come for us to put the World Trade Organization on notice that we are going to insist on tax fairness, that we are going to insist on a level playing field. And that is not the only thing we need to do. There is no single silver bullet in leveling the playing field for fair trade, but this is one thing that has to happen. This needs to be the beginning of a much broader trade agenda that allows us to level the playing field, to insist on fairness, and to insist on apples-to-apples competition if we are going to have a strong international trading system.

I urge my colleagues, in the bipartisan spirit that my colleague raised, to support the resolution, to support this legislation, to put America on record as moving forward in this area and insisting on a change in terms of trade.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I rise today in support of the resolution by Mr. ENGLISH that would direct the President to report to Congress on the progress he is making

at the WTO to ensure other nations do not dictate the American tax system.

We have had a long debate over the repeal of the FSC-ETI tax rules because the WTO determined that tax system to be an "illegal export subsidy."

I disagree with this characterization and have worked hard to find an acceptable alternative tax system.

In the trade act of 2002 we directed the President to begin these discussions and I want to see some results soon or at least, as this resolution calls for, to hear a report on the status of those efforts.

The "ways and means" of taxing Americans is primarily within the jurisdiction of this body of Congress and should not be forced on us by a few foreign bureaucrats based in Brussels.

Mr. ENGLISH. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PUTNAM). The question is on the motion offered by the gentleman from Pennsylvania (Mr. ENGLISH) that the House suspend the rules and agree to the resolution, H. Res. 705.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. ENGLISH. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. ENGLISH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Res. 705.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CUSTOMS BORDER SECURITY AND TRADE AGENCIES AUTHORIZATION ACT OF 2004

Mr. THOMAS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4418) to authorize appropriations for fiscal years 2005 and 2006 for the Bureau of Customs and Border Protection and the Bureau of Immigration and Customs Enforcement of the Department of Homeland Security, for the Office of the United States Trade Representative, for the United States International Trade Commission, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4418

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) *SHORT TITLE.*—This Act may be cited as the "Customs Border Security and Trade Agencies Authorization Act of 2004".

(b) *TABLE OF CONTENTS.*—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—BUREAU OF CUSTOMS AND BORDER PROTECTION AND BUREAU OF IMMIGRATION AND CUSTOMS ENFORCEMENT

Subtitle A—Authorization of appropriations; related provisions

Sec. 101. Authorization of appropriations.

Sec. 102. Establishment and implementation of cost accounting system; reports.

Sec. 103. Study and report relating to customs user fees.

Sec. 104. Report relating to One Face at the Border Initiative.

Subtitle B—Technical amendments relating to entry and protest

Sec. 111. Entry of merchandise.

Sec. 112. Limitation on liquidations.

Sec. 113. Protests.

Sec. 114. Review of protests.

Sec. 115. Refunds and errors.

Sec. 116. Definitions and miscellaneous provisions.

Sec. 117. Voluntary reliquidations.

Sec. 118. Effective date.

Subtitle C—Miscellaneous provisions

Sec. 121. Designation of San Antonio International Airport for Customs processing of certain private aircraft arriving in the United States.

Sec. 122. Authority for the establishment of Integrated Border Inspection Areas at the United States-Canada border.

Sec. 123. Designation of foreign law enforcement officers.

Sec. 124. Customs services.

Sec. 125. Sense of Congress on interpretation of textile and apparel provisions.

Sec. 126. Technical amendments.

TITLE II—OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Sec. 201. Authorization of appropriations.

TITLE III—UNITED STATES

INTERNATIONAL TRADE COMMISSION

Sec. 301. Authorization of appropriations.

TITLE I—BUREAU OF CUSTOMS AND BORDER PROTECTION AND BUREAU OF IMMIGRATION AND CUSTOMS ENFORCEMENT

Subtitle A—Authorization of Appropriations; Related Provisions

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

(a) *IN GENERAL.*—Subsection (a) of section 301 of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075) is amended—

(1) in paragraph (1), to read as follows:

"(1) For the fiscal year beginning October 1, 2004, and each fiscal year thereafter, there are authorized to be appropriated to the Department of Homeland Security for the Bureau of Customs and Border Protection and the Bureau of Immigration and Customs Enforcement only such sums as may hereafter be authorized by law.";

(2) by striking paragraph (2);

(3) by redesignating paragraph (3) as paragraph (2); and

(4) in paragraph (2) (as redesignated)—

(A) by inserting "and the Assistant Secretary for United States Immigration and Customs Enforcement, respectively," after "Commissioner of Customs"; and

(B) by striking "Customs Service" and inserting "Bureau of Customs and Border Protection and the Bureau of Immigration and Customs Enforcement".

(b) *SALARIES AND EXPENSES.*—Subsection (b) of such section is amended to read as follows:

"(b) *AUTHORIZATION OF APPROPRIATIONS.*—

"(1) **BUREAU OF CUSTOMS AND BORDER PROTECTION.**—